

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: August 2, 2010
POSITION: Oppose

BILL NUMBER: SB 1362
AUTHOR: J. Simitian

BILL SUMMARY: Vehicles: Automated Traffic Enforcement Systems

This bill would place numerous restrictions on local agencies' use of automated traffic enforcement systems (red-light cameras).

FISCAL SUMMARY

For a previous version of this bill, red light camera operators indicated this bill would make the process cumbersome for cities and counties to comply, and therefore likely they would discontinue operating the cameras, because the revenue they receive would no longer justify the additional activities they would be required to perform to continue operating the system. Without speaking to the public safety impact resulting from less traffic light compliance at intersections, or the need for additional law enforcement personnel at intersections given the loss of these systems, Finance notes that the widespread reduced or discontinued use of red light cameras in the state would result in an erosion of state and local revenues. It is estimated that revenues from these devices provide \$83 million to the State and \$57 million to local jurisdictions on an annual basis. If these cities and counties chose to discontinue operating their red light cameras, various governmental entities, including the state, counties, cities, and courts, would lose significant revenues, which Finance estimates in the range of tens of millions of dollars. State revenues from these violations are distributed to support numerous programs including crime victim compensation and services, trial court security, court construction, state forensic laboratories, and provide direct payments to the General Fund.

Furthermore, the Administration has a budget proposal to allow for the modification of red light cameras to capture speed violations. Because the frequency of speeding violations is, on average, four times that of red light violations, the revenue potential is significant. The Governor's revised 2010-11 budget proposal reflects General Fund savings of \$206 million associated with the implementation of these cameras, growing to \$412 million in 2011-12 and ongoing.

SUMMARY OF CHANGES

Amendments to this bill since our analysis of the June 30, 2010 version are substantive, but do not change our position, which is based on fiscal concerns.

COMMENTS

Finance is opposed to this measure because it would make the installation and operation of red-light cameras more cumbersome for local agencies, which is likely to result in their reduced or discontinued use. This could reduce annual revenues to the State and to local jurisdictions by approximately \$140 million annually. Furthermore, to the extent this bill directly contributes to a lack of implementation of the Administration's automated speed enforcement proposal, the General Fund impact alone would be about \$206 million in fiscal year 2010-11.

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Analyst/Principal (0211)J. Osborn	Date	Assistant Program Budget Manager Zlatko Theodorovic	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)**Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

J. Simitian

August 2, 2010

SB 1362

COMMENTS (Cont.)

The bill, by imposing additional restrictions and conditions on the use of red-light traffic cameras, would likely lead to increased costs for those entities choosing to use red light cameras, which would reduce the incentives to operate them.

Among other things, the bill would:

- Require a government agency to make and adopt a finding of fact establishing that the system is needed at a specific locations for reasons related to safety;
- Prohibit a governmental agency proposing to install or operate an automated traffic enforcement system from considering revenue generation as a factor of whether or not to install or operate a system;
- Require that specified reports from local entities and traffic enforcement system manufacturers or suppliers be provided to the Judicial Council provided that the information is in the possession of, or readily available to, the manufacturer or supplier;
- Specify the information to be included with a notice of violation; and
- Require that a registered vehicle owner be made aware that the registered owner is not required to provide information regarding the identity of a driver if contacted by a governmental or law enforcement agency prior issuing a notice to appear.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)								Fund Code
	LA	(Dollars in Thousands)								
	CO	PROP								
	RV	98	FC	2010-2011	FC	2011-2012	FC	2012-2013		
1644/Civ Crim Vio	RV	No	P	-\$206,000	P	-\$412,000	P	-\$412,000	0001	
1644/Civ Crim Vio	RV	No	U	-\$6,000	U	-\$6,000	U	-\$6,000	0001	
1643/PenAssessm	RV	No	U	-\$30,000	U	-\$30,000	U	-\$30,000	0903	
1643/PenAssessm	RV	No	U	-\$15,000	U	-\$15,000	U	-\$15,000	0932	
1644/Civ Crim Vio	RV	No	U	-\$19,500	U	-\$19,500	U	-\$19,500	0932	
1643/PenAssessm	RV	No	U	-\$12,000	U	-\$12,000	U	-\$12,000	3086	

<u>Fund Code</u>	<u>Title</u>
0001	General Fund
0903	Penalty Fund, State
0932	Trial Court Trust Fund
3086	DNA Identification Fund